Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
	)	
Applications of Comcast Corp. and Time Warner Cable, Inc.	)	MB Docket No. 14-57
	)	
	)	
For Consent To Transfer Control of Licenses and Authorizations		

JOINT COMMENTS OF THE NEW JERSEY DIVISION OF RATE COUNSEL AND THE NATIONAL ASSOCIATION OF STATE UTILITY CONSUMER ADVOCATES

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SUMMARY

This is not just a merger of cable television companies (although it does merge the two largest cable companies in the U.S.) It is also the merger of two large broadband Internet access service ("broadband") providers. And, more fundamentally and more historically, it is the merger of two large providers of telephone service. Comcast is now the third largest residential telephone service provider in the U.S., exceeded only by AT&T and Verizon.[1]

At this time, the record is inadequate to demonstrate that the Applicants have met their burden of proving that the proposed merger between Comcast and Time Warner Cable would serve the public interest. In this regard, the Commission and parties to this proceeding must have access to all books of account, documents, data and records pertaining to the transaction in order to assess whether the transaction is likely to generate verifiable, merger-specific public interest benefits.

Post-merger, the combined Comcast-Time Warner would possess greater incentive and ability to exercise market power against competitors, including the relatively new online video industry, which the Applicants clearly view as a direct threat to their traditional cable revenue streams. The result would be, among other things, loss of diversity in programming; higher rates and lower service quality for consumers; and a chilling influence on broadband investment precisely at a time when the nation is seeking to fulfill the vision of ubiquitous deployment of affordable, reasonably priced broadband.

[1] *In the Matter of Rural Call Completion*, 28 F.C.C.R. 16154 (Nov. 8, 2013) n. 70, citing Comcast Now Third Largest Residential Phone Services Provider in the U.S., available at https://www.comcast.com/about/pressrelease/pressreleasedetail.ashx?PRID=844 (last visited Oct. 25, 2013).

Moreover, the merger has a serious potential anticompetitive impact on low income telecommunications customers, namely the elimination of a competitive option for federal and state Lifeline service for customers in areas currently served by Time Warner. Finally, it is important to recognize that Time Warner has acknowledged that it is a common carrier in California and New York, whereas Comcast has not.[2] The loss of a competitor providing telecommunications services subject to common carriage requirements would harm customers currently served by Time Warner.

Comcast and Time Warner claim that the transaction will generate $1.5 billion in earnings due to cost savings and other synergies before interest, taxes, depreciation, and amortization within three years, and recurring each year after the first three years. They also estimate approximately $400 million in capital expense efficiencies.

Rate Counsel and NASUCA (collectively, "Consumer Advocates") are skeptical of the purported benefits of the proposed transaction. Consumer Advocates submit that the Comcast-Time Warner merger would harm consumers substantially, and recommend that the Commission find that the Applicants have not met their burden to prove that the transaction is in the public interest. Consumer Advocates urge the FCC to consider approving the transaction only if additional pro-consumer conditions are imposed. Additional conditions are essential to ensure that consumers – of video, broadband and

[2] See, for example, *Investigation on the Commission's Own Motion into the Operations, Practices, and Conduct of Comcast Phone of California, LLC and Related Entities (Collectively "Comcast") to Determine Whether Comcast Violated the Laws, Rules, and Regulations of this State in the Unauthorized Disclosure and Publication of Comcast Subscribers' Unlisted Names, telephone Numbers and Addresses*, Public Utilities Commission of the State of California, I. 13-10-003, Administrative Law Judge's Ruling Denying Comcast's Motion to Dismiss, March 11, 2014 at p. 3-4. Comcast argued that the CPUC lacked jurisdiction to investigate Comcast's improper disclosure of the names, telephone numbers and addresses of approximately 50,000 California residential customers who paid Comcast for an unlisted telephone number. Comcast argued that the commission lacked authority because Comcast offers VoIP service and any attempt to apply the California Public Utilities Code or Article I of the California Constitution would constitute an impermissibly retroactive application of law against Comcast. Comcast's motion was denied.

telephone services -- benefit from robust, competitive markets across all platforms in the years to come. This promotes innovation, diversity and lower prices. In previous orders, the Commission has adopted conditions to offset potential risks of transactions.

Consumer Advocates submit that the FCC should impose additional conditions in eight areas so that consumers receive positive benefits. First, the FCC should impose a requirement that permits video customers to choose the channels they want to purchase for viewing on an a la carte basis. In addition, the FCC should require that basic program tier rates and equipment and installation rates be frozen for three years so that video customers receive a share of the cost savings resulting from this merger. The FCC should also adopt a condition that customers in the current Time Warner areas and the customers in the Comcast areas have the ability to choose from either company's best options available over comparable infrastructure.

Moreover, the Commission should require Comcast to continue to provide federal and state Lifeline service in those states where Time Warner has applied for Eligible Telecommunications Carrier ("ETC") status. For other customers, the FCC should require Comcast to offer a more robust, affordable broadband service, an improvement from the current Time Warner "Everyday Low Price" offering.

On the flip side of universal service, the FCC should adopt a condition that the merged company not compel small rural local exchange carriers ("RLECs") to provide interconnection and local number portability ('LNP") when the RLECs claim the rural exemption[3] for six years, to carry the RLECs through the USF/ICC transition.

[3] 47 U.S.C. § 251(f).

The Commission should also affirm that in the territory formerly served by Time Warner, Comcast's status will be as a common carrier, subject to oversight as a telecommunications carrier. Finally, the FCC should also require Comcast and Time Warner to open their networks to voice competitors under Sections 251 and 252 when they serve a majority of residential and small business customers in an area.

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I. INTRODUCTION

Pursuant to the schedule set forth by the Federal Communications Commission ("FCC" or "Commission"),[4] the New Jersey Division of Rate Counsel ("Rate Counsel")[5] and the National Association of State Utility Consumer Advocates ("NASUCA")[6]

[4]/ FCC Public Notice, DA 14-986, "Commission Seeks Comment on Applications of Comcast Corporation, Time Warner Cable, Inc., Charter Communications, Inc., and Spinco to Assign and Transfer Control of FCC Licenses and Other Authorizations," released July 10, 2014 ("Public Notice").

[5]/ Rate Counsel is an independent New Jersey State agency that represents and protects the interests of all utility consumers, including residential, business, commercial, and industrial entities. Rate Counsel participates actively in relevant Federal and state administrative and judicial proceedings.

[6]/ NASUCA is a voluntary association of 44 consumer advocate offices in 41 states and the District of Columbia, incorporated in Florida as a non-profit corporation. NASUCA's members are designated by laws of their respective jurisdictions to represent the interests of utility consumers before state and federal regulators and in the courts. Members operate independently from state utility commissions as advocates primarily for residential ratepayers. Some NASUCA member offices are separately established advocate

(collectively, "Consumer Advocates") provide the following comments for the Commission's consideration regarding the applications filed by Comcast Corporation ("Comcast") and Time Warner Cable, Inc. ("Time Warner" or "TWC"), for transfer of control of licenses.[7]

This is not just a proposed merger between two companies that provide cable television service to their customers, regulated by Title VI of the Telecom Act.[8] It is also not just a merger between two ISPs that provide broadband, whichever Title – I, II or both -- they are regulated under.[9] And it is not just a merger between telephone companies that provide voice and other services regulated under Title II. It is a merger between two very large companies that provide telephone and broadband and video service. The FCC must view the transaction in that holistic light.

The decision that the FCC renders in this case will have major consequences for the emerging on-line video markets, telecommunications customers (including Lifeline customers), vertical integration in the industry, horizontal integration in the industry, and the likelihood of similar transactions in the future. The policy that the FCC sets forth in this proceeding will have far-reaching implications throughout the industry, affecting all

organizations while others are divisions of larger state agencies (e.g., the state Attorney General's office). http://nasuca.org/about-us/. NASUCA's associate and affiliate members also serve utility consumers but, are not created by state law, or do not have statewide authority.

7/ On April 8, 2014, Comcast, and TWC (the "Applicants") jointly submitted applications to the Commission seeking consent for the proposed acquisition whereby Comcast will acquire 100% of TWC's equity assets, in exchange for Comcast Class A shares ("CMSA") subject to divestitures of cable systems totaling 3 million subscribers. TWC shares will be converted into the right to receive 2.875 shares of CMSA.

8 Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56 ("1996 Act"). The 1996 Act amended the Communications Act of 1934. Hereinafter, the Communications Act of 1934, as amended by the 1996 Act, will be referred to as "the 1996 Act," or "the Telecom Act," and all citations to the 1996 Act will be to the 1996 Act as it is codified in the United States Code.

9 Broadband may exceed cable in importance to consumers. See http://www.engadget.com/2014/08/19/broadband-cable-numbers/.

consumers, and the quality of and prices for the information and entertainment that consumers receive.

States like New Jersey and New York have jurisdiction over the video aspects of this transaction.[10] Yet given that this is also a merger of broadband companies, states also have jurisdiction over this transaction under § 706 of the 1996 Telecom Act.[11]

And states have jurisdiction over the telecommunications aspects of this transaction. Indeed, in New York and California, Time Warner has applied for and received eligible telecommunications carrier ("ETC") status.[12]

Interest of Rate Counsel and NASUCA in the Instant Proceeding.

The above-captioned proceeding is germane to the Consumer Advocates' continued participation and interest in implementation of the Telecommunications Act of 1996 as well as Title VI of the Communications Act of 1934, as amended, under Sections

[10] See, e.g., N.J.S.A. 48:5A et seq.; NY PSL 223(3)(b).

[11] See, e.g., *Joint Application of Comcast Corporation, Time Warner Cable, Inc., Time Warner Cable Information Services (California), LLC and Bright House Networks Information Services (California), LLC for Expedited Approval of the Transfer of Control of Time Warner Cable Information Services (California) LLC; and the Pro Forma Transfer of Control of Bright House Networks Information Services (California), LLC, to Comcast Corporation Pursuant to California Public Utilities Code Section 854(a)*, August 14, 2014 Scoping Memo and Ruling of Assigned Commissioner and Administrative Law Judge. http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M101/K123/101123512.PDF.

[12] See Order Designating Competitive Local Exchange Carriers as Eligible Telecommunications Carriers, Service Areas, and Granting Waivers, NYPSC Case No. 940-C-00095 (Dec. 24, 1997); Decision Granting Request for Eligible Telecommunications Carrier Status, CPUC Docket No. A.13-10-019 (March 27, 2014).

[14]/ Consumer Advocates have participated in many FCC proceedings concerning transfers of control. *See, e.g., In the Matter of Transfer of Control Filed by SBC Communications Inc. and AT&T Corp.*, WC Docket No. 05-65, Initial and Reply Comments of Rate Counsel, April 25, 2005, and May 10, 2005, respectively; *In the Matter of Verizon Communications Inc. and MCI, Inc., Applications for Approval of Transfer of Control*, WC Docket No. 05-75, Initial Comments, May 9, 2005 (including affidavit of Susan M. Baldwin and Sarah M. Bosley), Reply Comments, May 24, 2005; *In the Matter of AT&T Inc. and BellSouth Corporation Applications for Approval of Transfer of Control*, WC Docket No. 06-74, Initial Comments, June 5, 2006 (including declaration of Susan M. Baldwin and Sarah M. Bosley), Reply Comments, October 3, 2006 (including declaration of Susan M. Baldwin, Sarah M. Bosley and Timothy E. Howington); *In the Matter of Embarq Corporation, Transferor, Application for Transfer of Control of*

601 et seq., 4 U.S.C. 521.[14] New Jersey has a particular interest as it is one of a handful of states where Comcast and Time Warner engage in head-to-head competition on all levels of service: cable programming, Internet and voice. Based on the latest U.S. Census figures, New Jersey has approximately 3,578,000 housing units as of 2013; thus a merged Comcast/TWC company would serve over 1/3 of the state's cable subscribers (1,324,000).[15] Therefore, in New Jersey, the transaction raises serious concerns, including the loss of a viable market competitor and the potential for anti-competitive practices that result in diminished services, affecting programming, broadband/Internet access, download speeds, and higher rates. As discussed further below, in metropolitan markets like New Jersey, New York or California (Los Angeles), where Time Warner Cable today owns or controls regional sports networks ("RSNs") and Comcast owns the local NBC TV station and receives national programming content from NBC and

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Domestic Authorizations Under Section 214 of the Communications Act, as Amended, WC Docket No. 08-238, Initial Comments, January 8, 2009, Reply Comments, January 23, 2009; *In the Matter of Applications filed by Frontier Communications Corporation and Verizon Communications Inc. for Assignment or Transfer of Control*, WC Docket No. 09-95, Comments of the National Association of State Utility Consumer Advocates and the New Jersey Division of Rate Counsel, September 21, 2009; *Qwest Communications International Inc., Transferor, and CenturyTel, Inc. d/b/a CenturyLink, Transferee, Application for Transfer of Control Under Section 214 of the Communications Act, as Amended*, WC Docket No. 10-110, Initial Comments of Rate Counsel, July 12, 2010.

[15]/ New Jersey Quick Facts – US Census Bureau at: http://quickfacts.census.gov/qfd/states/34000.html. *See also*, New Jersey Board of Public Utilities, Office of Cable Television, *Cable Facts 2013*, at 40. The second and third largest cable providers are Cablevision Systems (with 893,885 subscribers) and Verizon New Jersey (with 602,798 subscribers). The total 2013 cable subscribership was 2,859,751. *See*,: http://www.bpu.state.nj.us/bpu/pdf/cablepdfs/CableFacts2013.pdf.

Universal, the impact of the transaction will be acutely felt by resulting higher rates and/or diminished programming and/or services.

California has a strong interest in that both Comcast and Time Warner serve substantial numbers of customers and both companies provide digital telephone service. Time Warner serves nearly one million VoIP customers in California.[16] VoIP is increasingly important as a consumer alternative.[17] Unlike Comcast, Time Warner has applied for and received status as an ETC in California, thus demonstrating a commitment to serving low-income telecommunications customers. Comcast has not applied for ETC status. Further, Time Warner has acknowledged to the California Public Utilities Commission ("CPUC") that it is a common carrier, provides basic service and is subject to state regulation as a telecommunications carrier.[18] The same is not true for Comcast. Consumer Advocates believe that Time Warner's determination to serve low-income customers and its acknowledgement of its common carrier status benefit Time Warner's California customers. These benefits would be lost if the merger is approved, especially if the merged entity will not be a common carrier and ETC.

On a national scale, based on total number of video subscribers, Comcast is by far the most widely used cable provider in America. Headquartered in Philadelphia, Comcast provides cable programming to approximately 21.7 million households. Comcast's closest competitor is TWC. TWC currently serves about 11.4 million subscribers. Comcast is the largest provider of cable broadband in the U.S., currently operating in 39 states, and D.C.,

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[16] *Application of Time Warner Cable Information Services (California), LLC for Designation as an Eligible Telecommunications Carrier*, CPUC A. 13-10-019, Decision Granting Request for Eligible Telecommunications Carrier Status (Decision 14-03-038), March 26, 2014, at 4.

[17] See footnote 1, supra.

[18] *Id.*, at. 5.

and TWC currently operates in 29 states, making it, by coverage area, the second largest provider of cable broadband in the U.S..[19]

Further, for broadband Internet services, Comcast serves 20.7 million customers and TWC serves 11.6 million customers. For voice grade services, Comcast has 10.7 million customers and TWC has 5.3 million voice customers. Both Comcast and TWC serve small and medium-sized businesses, provide Ethernet network services and backhaul services for wireless carriers.[20]

Customers for voice, cable and internet are generally households. As of 2011, there were approximately 115 million households in the United States. The combined Comcast and Time Warner thus provide cable and broadband service to about 29% of all U.S. households, and telecom service to about 23% of national households. Thus the Petitioners have what could modestly be called substantial market presence.

Consumer Advocates urge that the FCC's deliberations in this proceeding should aim at ensuring diversity; quality; reasonable rates, terms and conditions; variety and availability of content; local programming; competition; and innovation. Also, Consumer Advocates continue to urge the Commission to take into account the fact that the broadband market is dominated in many geographic markets by, at best, a duopoly, which does not present effective competition in the supply of Internet access, and which, in turn, provides an important context for assessing the impact of the proposed transaction on consumers. In New Jersey and other states where Comcast and TWC offer services,

[19]/ *See* Appendix; see also Comcast Overview and Coverage at: http://broadbandnow.com/Comcast; and Time Warner Overview and Coverage at http://broadbandnow.com/Time-Warner-Cable.

[20]/ TWC serves a limited number of enterprise customers as well as government, education and non-profit institutions.

broadband markets are dominated by cable and incumbent local exchange companies ("ILECs").[21]

[21] But not where the ILECs have said they will not extend their broadband services. See http://stopthecap.com/2012/05/22/nine-upstate-ny-mayors-accuse-verizon-of-avoiding-urban-poor-in-fiber-upgrades/; http://blog.timesunion.com/business/verizon-ending-rollout-of-fios-skipping-many-in-capital-region/18933/.

II. CONSUMER HARMS FROM THIS TRANSACTION

The combination of these two firms, that are the largest and fourth largest cable companies, large ISPs, and large telephone companies, raises public policy concerns about the effect of the transaction on consumers and competition. Although Comcast has agreed to continue and expand the conditions from its $30 billion 2009/2010 Comcast-NBCUniversal ("Comcast NBCU") merger and apply them to Time Warner until 2018,[22] these commitments alone do not overcome the need for serious scrutiny of the transaction by the FCC and the Department of Justice. At present the record is inadequate to demonstrate whether the proposed merger would serve and benefit the public interest. In this regard, the Commission and parties to this proceeding must have access to all books of account, documents, data and records pertaining to the transaction in order to assess whether the transaction is likely to generate verifiable, merger-specific public interest benefits.

A. Comcast's Presence in the Broadband Market

Comcast's control of last-mile networks provides it with unique market power. Comcast is the nation's largest residential broadband access provider, which means that it possesses unsurpassed ability to control broadband markets. Furthermore, Comcast is the dominant broadband provider in the markets that it serves.

In considering Comcast's market power in the broadband market, the FCC should also view the company's market share within relevant individual geographic markets

[22] See http://www.ibtimes.com/fcc-net-neutrality-rules-what-does-proposal-mean-comcast-twc-post-2018-1576011.

rather than simply as expressed on a national basis. In many geographic markets, broadband access by telecommunications companies is providing less competitive pressure than it did in previous years. Relative demand for telecommunications companies' rival broadband product – digital subscriber line service ("DSL") – is expected to decline as consumers seek the higher speed and capabilities of cable companies' broadband access,[23] and as telephone companies limit their broadband expansion.[24] From the outset of the age of high-speed Internet access, cable modem use has outpaced DSL. According to the FCC's *High-Speed Services for Internet Access* reports, December 1999 cable modem subscriptions totaled approximately 1.5 million, while DSL subscriptions were under 400,000.[25]

Both technologies have experienced substantial increases in subscriptions. Annual growth rates for both technologies remained above 40% through 2003, but then gradually declined each year. But the annual growth rate in DSL subscriptions from December 2007 to December 2008 (the most recent period for which data are available) was a mere 3%, while the growth rate for cable modem service remained a solid 14%.

As of December 2008, the FCC reported approximately 41.5 million cable modem subscribers, about 30.2 million DSL subscribers, and 25.1 million mobile wireless high-speed connections, while fiber to the premises, satellite, fixed wireless, and

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[23]/ Federal Communications Commission, *Connecting America: The National Broadband Plan*, report submitted to the U.S. Congress, March 17, 2010 ("National Broadband Plan"), Chapter 4, at 42; See, also, FCC, Wireline Competition Bureau, *High-Speed Services for Internet Access: Status as of December 31, 2008*, February 2010.

[24] See http://www.theverge.com/2013/10/10/4819790/verizon-fios-contract-new-york-city-deadline-nears-cant-get-internet.

[25]/ FCC, High-Speed Services for Internet Access: Status as of December 31, 2008, released February 2010, at Table 1; FCC, High-Speed Services for Internet Access: Status as of June 30, 2008 (Excel tables version), released July 2009, at Table 1.

other technologies account for only about 5.3 million high-speed connections.[26] The result, with more than a 70% share, is a cable/telco duopoly that is insufficient to restrain anti-competitive behavior and pricing.

The FCC itself addressed the collusion and supra-competitive pricing risks that duopolies pose to competition in its analysis of Qwest's filing seeking forbearance in Phoenix.[27] The FCC evaluated whether potential competition in the Phoenix MSA could ameliorate the risks of duopolistic price coordination.[28] The FCC observed that there were no competitors for mass-market services in Phoenix that had deployed or could deploy their own facilities to any meaningful degree, and that the potential for de novo entry by new competitors was limited.[29] Based on these findings, the FCC denied Qwest's forbearance request.[30]

Consumer Advocates have repeatedly maintained that a broadband duopoly does not represent sufficient competition to yield just and reasonable rates.[31] Consumer

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26/ *Id.* at fn 13.

27 / See *In the Matter of Petition of Qwest Corporation for Forbearance Pursuant to 47 U.S. C. § 160(c) in the Phoenix, Arizona Metropolitan Statistical Area*, WC Docket 09-135, Memorandum Opinion and Order, 25 FCC Rcd 8622, 8636 (2010), ("Phoenix Order" and/or "FCC Qwest Phoenix Forbearance Order"); affirmed (10th Cir., Aug. 6, 2012) Qwest v. FCC, et al. 689 F. 3d 1214.

28/ Phoenix Order at 8665-67.

29/ *Id.* at 8665–67, ¶¶ 82–84.

30/ Ultimately, the Commission determined that the record before it did not allow it to make a finding "for purposes of Qwest's forbearance request" that wireless voice services have a material price-constraining effect with respect to wireline voice services. *Id.* at 8651, ¶ 55.

31/ See, e.g., *Inquiry Concerning the Deployment of Advanced Telecommunications Capability to All Americans in a Reasonable and Timely Fashion, and Possible Steps to Accelerate Such Deployment Pursuant to Section 706 of the Telecommunications Act of 1996*, FCC GN Docket No. 07-45, Comments of the New Jersey Division of Rate Counsel, May 16, 2007, at 18-21, citing and attaching Susan M. Baldwin, Sarah M. Bosley and Timothy E. Howington, "The Cable-Telco Duopoly's Deployment of New Jersey's Information Infrastructure: Establishing Accountability," White Paper prepared for the Public Advocate of New Jersey Division of Rate Counsel, January 19, 2007; *In the Matter of A National Broadband Plan for Our Future*, GN Docket No. 09-51, Comments of the New Jersey Division of Rate Counsel, June 8, 2009, Advocates urge the Commission to take into account the fact that the broadband market is dominated in many geographic markets by, at best, a duopoly, which does not present effective competition in the supply of Internet access, and which, in turn, provides an important context for assessing the impact of the proposed transaction on consumers. Thus as cable broadband is controlling a larger and larger share of the broadband market, the total share that the merged companies will have on cable broadband must therefore be considered in determining the impact of this merger.

Comcast is already dominant. Add Time Warner and that dominance grows. The dominance will extend from last-mile to middle-mile to backhaul.

B. Specific Harms in New Jersey

Comcast is already the largest cable operator in New Jersey, with 1,283,470 subscribers in 2013. The merger with TWC would increase subscribership in New Jersey to 1,324,040, effectively serving well over 1/3 of New Jersey service subscribers.[32] The transaction directly affects New Jersey consumers by increasing the cost of programming, resulting in higher prices and/or diminished or degraded service.

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at 29-30, 39; *In the Matters of Inquiry Concerning the Deployment of Advanced Telecommunications Capability to All Americans in a Reasonable and Timely Fashion, and Possible Steps to Accelerate Such Deployment Pursuant to Section 706 of the Telecommunications Act of 1996, as Amended by the Broadband Data Improvement Act; A National Broadband Plan for Our Future,* GN Docket Nos. 09-137; 09-51, Comment of the New Jersey Division of Rate Counsel, September 4, 2009, at iii, 4; and *In the Matter of Preserving the Open Internet; Broadband Industry Practices*, GN Docket No. 09-191; WC Docket No. 07-52, Comments of the New Jersey Division of Rate Counsel, January 14, 2010, at 78.

[32]/ New Jersey Board of Public Utilities, Office of Cable Television, *Cable Facts 2013*, at 40. The second and third largest cable providers are Cablevision Systems (with 893,885 subscribers) and Verizon New Jersey (with 602,798 subscribers) with Time Warner serving (40,570). Total 2013 cable subscribership was 2,859,751. *See* http://www.bpu.state.nj.us/bpu/pdf/cablepdfs/CableFacts2013.pdf.

Currently in New Jersey, 1,536,000 customers receive their cable, Internet and voice services from providers other than Comcast or TWC.[33] The proposed transaction would likely raise the cost of access to programming for consumers receiving service not only from other competing cable providers, but from other multichannel video programming distributors ("MVPD"), such as Verizon, under its FiOS offering, the Dish Network, and DirecTV. Comcast and Time Warner also offer voice services throughout their footprint. Voice consumers would also experience higher prices on these services, as a market competitor exits the New Jersey market.

By facilitating Comcast's ability to raise prices and exercise market power the transaction could also facilitate the ability of Comcast to raise its own rates. Many of Comcast's customers may not have the option of switching to a competing provider. For example, in Bergen County, New Jersey, Cablevision is the only provider of cable services in the Borough of Tenafly. This scenario is likely to exist outside of New Jersey. Therefore, the Commission should review the transaction with particular attention to customers in New Jersey and throughout the Comcast/TWC footprint who may not have competing service providers in their area.

C. Specific Harms in California

As noted above, Time Warner California provides VoIP service to nearly one million Californians. Further, as discussed earlier, Time Warner applied for and was granted ETC status in California. Moreover, Time Warner has acknowledged to the CPUC that it is a common carrier, and "will operate as a common carrier offering Basic

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[33]/ *Id.*

Service and Lifeline service to the public on a non-discriminatory basis and it holds itself out to serve indifferently all potential users."[34] In California, Time Warner "will provide Basic Service and Lifeline service pursuant to tariff on file with the Commission."[35] Time Warner will comply with applicable CPUC decisions and General Orders, including the General Orders governing service quality (G.O. 133-C), California's universal telephone service act (Lifeline, G.O. 153) and the Consumer Bill of Rights governing telecommunications service (G.O. 168).[36]

In contrast, Comcast withdrew its California local exchange service tariff in 2008 and has vigorously opposed any efforts by states to regulate it as a common carrier.[37] Comcast not sought ETC status in California and has hedged on Time Warner's commitment to provide Lifeline service. In a footnote to its California Application, Comcast states that it will continue to offer Lifeline through Time Warner Cable/Information Services (TWCIS) *if* Time Warner starts to offer Lifeline prior to the merger and "*unless and until the Commission approved an application to relinquish the TWCIS CA Lifeline certificate.*"[38] California low-income consumer advocates believe that this language is a strong indication that Comcast will fail to follow through on Time Warner's commitment to serve as an ETC. Thus the merger would harm California low-income customers, and customers in other states where Time Warner has sought ETC

[34] CPUC, D.145-03-038, Finding of Fact (FOF) 4.

[35] *Id.*, FOF 3.

[36] *Id.*, FOF 5.

[37] See, e.g., supra footnote 2.

[38] Application, *supra* note 4 at 22 (emphasis added). See also CPUC, A.14-04-013, Protest of the Greenlining Institute to the Application for Transfer of Control of Time Warner Cable Information Services (California) LLC and Bright House Networks Information Services (California), LLC, to Comcast Corporation, May 19, 2014 (*Greenlining California Protest*) at 15.

status, by eliminating a competitive option for this service. The Greenlining Institute accurately summarized the harm that would occur to California customers should the merger be approved:

> Time Warner is one of a very small number of cable companies that view serving low-income customers as part of a viable business model. Time Warner is a "maverick" that freely acknowledges that to the extent it provides telephone service, it is a common carrier. Time Warner's acknowledgement of its common carrier status…ensures that Time Warner will serve the public interest by contributing to a consistent standard of telephone service quality across the state. Eliminating Time Warner would eliminate one of the few "good actors" in the cable industry and would reduce service options for individuals with fewer choices in the telephone market. Accordingly, the proposed transaction has the potential to harm consumers and the public interest.[39]

In California, the Office of Ratepayer Advocates ("ORA") stated to the CPUC:

> There is much at stake in this merger for California. …The CPUC, in its great efforts and work in encouraging the deployment of broadband infrastructure to further economic growth through the state, can continue to further such benefits by closely examining the impact of the merger on broadband availability, access, and competition. In addition, the CPUC's review should not discount the impact on content and application providers as it directly impacts broadband deployment in California, consistent with Section 706. Content and application providers want access to high-speed Internet users. That market is dominated in California by Comcast and Time Warner Cable (which each have a terminating monopoly on their set of subscribers, though there is still competition within the California market as a whole). If the merger is approved, the players in that market collapse to one. Not only would this give the merged entity monopsony power in buying programs on the video/cable side, it would also give such entity more power to dictate terms to content providers (and even service/VoIP providers) who want to reach those subscribers. Subscribers, *e.g.,* the California residential consumers and small businesses that ORA represents, will be impacted because they may not be able to access the content that they want or need, and they may have to pay more for the content. This will likely have a profound effect on broadband deployment in California.

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[39] *Greenlining California Protest* at 19-20.

> Furthermore, companies such as Comcast want to impose "tolls" to create a revenue stream, and so there is no incentive to build more infrastructure. In fact, if the proposed merger is approved, there would be an incentive not to increase capacity and quality, because by restricting new buildout a merged Time Warner Cable/Comcast entity could potentially raise prices, citing to unsupported congestion. Similarly, there would not be an incentive for a merged entity to invest in infrastructure. All of these actions would directly harm California residential consumers and small businesses because they would pay higher prices, for potentially worse service. In light of these and other issues, the CPUC must assess what impact the proposed merger will have on California's Internet economy, particularly established companies and job creating small business start-ups which develop content, applications, and services that depend on a vibrant, open Internet.[40]

These California views also hold true for the transaction on a national level.

D. Industry Concurs on Concerns Addressed by Consumer Advocates

The concerns voiced by Consumer Advocates herein have been raised by others in the industry. Two in particular can be singled out: First, in recent Congressional testimony before the House Judiciary Subcommittee regarding this proposed merger, Matthew M. Polka, President and CEO of the American Cable Association ("ACA"), stated, "There is more than sufficient evidence already to demonstrate that the proposed transaction will result in significant anticompetitive harms in many ways, which will each cause irreparable harm to multichannel video programming distributor ("MVPD") competition, leading to less choice and higher prices for consumers."[41] The ACA addressed several major initial concerns.

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[40] CPUC Docket No. A.14-04-013, Letter from Lindsay Brown, Staff Attorney, Office of Ratepayer Advocates, California Public Utilities Commission, to ALJ Karl Bemesderfer and Niki Bawa, July 22, 2014, at p. 17.

[41]/ *See* http://americancable.org/node/4784 ("Polka Testimony") at 1.

ACA stated, "Comcast would take control of Time Warner Cable's 16 regional sports networks (RSNs), adding them to Comcast's 10 NBC O&O broadcast stations, 13 RSNs, and many popular national cable networks."[42] ACA explained that by "merging this programming, Comcast can sell all these channels in a bundle, giving it additional leverage over MVPDs in all regions where TWC's RSNs are carried. The impact will be acutely felt by MVPDs based in markets like New York or Los Angeles, where Time Warner Cable today owns or controls an RSN and Comcast owns the local NBC TV station."[43] Rate Counsel notes that New Jersey is also such a market, and will suffer the same acute impacts as the New York and Los Angeles markets.

ACA further asserted, "[B]y acquiring about 8 million subscribers from Time Warner Cable and Charter, Comcast will have new incentives to disadvantage all MVPDs that compete with the TWC and Charter systems it is acquiring by either withholding Comcast-controlled programming from them permanently or temporarily during negotiation impasses, or simply by forcing them to pay higher prices for this programming."[44]

ACA further noted that "many of these MVPDs obtain their programming through the National Cable Television Cooperative (NCTC), which serves as the buying group for more than 900 small and medium sized MVPDs, and negotiates for access to Comcast's large number of popular national cable networks, including USA Network, CNBC, Golf Channel, Syfy, Bravo, E!, and MSNBC, and its NBC O&O stations.

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[42]/ Comcast-Time Warner-Charter Deal Threatens Consumers, Competition: *Trade Group Says Block Deal If Conditions Won't Address Vertical and Horizontal Harms,* by Ted Hearn, Pittsburgh, May 9, 2014 , http://americancable.org/node/4786 ("ACA Release").

[43]/ Id.

[44]/ *Id.*.

Comcast will have a strong incentive to raise the prices that it charges to the NCTC, and these price increases will harm all MVPDs that obtain their programming through the buying group."[45] In particular, Polka advised that, "[W]ith about 30% of all MVPD subscribers nationally, Comcast would have massive bargaining power over the video programming industry and would serve as a "must have" distribution outlet for programmers."[46] In addition, Mr. Polka testified that "the third component … the horizontal combination of Comcast's distribution assets with the distribution assets of Time Warner Cable and Charter did not arise in the Comcast-NBCU transaction and raise significant and troubling new issues."[47] Mr. Polka concluded that "the transaction will result in additional competitive advantages for Comcast over its MVPD competitors, as it will be able to obtain larger volume discounts than its rivals, weakening their ability to effectively compete."[48]

From another perspective, a recent technology and economic analysis conducted by Scott Wallsten on behalf of the Technology Policy Institute discusses the potential effects of the Comcast-TWC merger, and noted the following: "[I]n the case of video programming, the little bit of available public data shows that, in general, larger cable companies *do* pay less than smaller companies. Data from SNL Kagan show, for example, that for the largest three cable companies, the smallest (Charter) pays the most while the largest (Comcast) pays the least on a per-subscriber basis."[49]

45/ *Id.*

46/ *Id.*

47/ Polka Testimony at 4.

48/ *Id.*

49/ An Economic Analysis of the Proposed Comcast/Time Warner Cable Merger, by Scott Wallsten, at p. 6, dated May 2014 , on behalf of The Technology Policy InstituteAccess and view pdf of Wallsten Study

In discussing the potential impact in connection with broadband services, Wallsten states the general concerns are two: whether the "merged company would have an incentive to block or otherwise degrade service from companies that offer competing services, such as Netflix; and whether the merged company could present an entry barrier to any new Internet service or application."[50] In other words, Wallsten stated the issue as "whether a merged Comcast/TWC with almost 40 percent of fixed broadband subscribers (or 20 percent of all broadband subscribers if including mobile) is more likely to act in a potentially anticompetitive way than do Comcast and TWC separately, with 30 and 13 percent of subscribers. If so, do those concerns outweigh the benefits of the increased scale."[51] In his study, Wallsten noted the Madison River Telephone Company in North Carolina, which effectively blocked Vonage until the FCC ordered it to stop in a consent decree.[52]

The financial fall-out and harm to consumers and other service providers is yet to be determined in this transaction. However, in the 2010 Comcast-NBC-Universal ("Comcast-NBCU") transaction, ACA estimated a total consumer harm of $316.8 million per year, with an at-the-time, nine-year net present value for consumer harm of $2.6 billion.[53] Under the Comcast-NBCU transaction, the annual harm estimated for New

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online at:
http://techpolicyinstitute.org/files/wallsten_evaluating%20the%20comcast%20twc%20merger.pdf.

[50]/ *Id.*, at p. 8, and fn 26.

[51]/ Wallsten Study at 8.

[52]/ *Id.*

[53]/ The ACA estimates that the vertical competitive effects of this transaction will yield consumer harm of $176.5 million per year and the horizontal competitive effects of this transaction will yield consumer harm of $140.3 million per year for a total consumer harm of $316.8 million per year. The ACA computes a nine- year net present value for consumer harm of $2.6 billion. "An Estimate of the Consumer Harm that Will Result from the Comcast-NBCU Transaction," November 8, 2010, William P. Rogerson, submitted by

Jersey's cable consumers was approximately $13 million, with an estimated net present value over the nine years post-transaction of approximately $97 million for New Jersey cable consumers.[54]

Wallsten concluded, "[F]inally we do not know how the merger will affect real prices, Comcast has made no secret of its desire for the merger to yield 'revenue synergies.' Indeed, Comcast apparently sees these increased revenues as the more important benefit."[55] Further, Wallsten stated that "[T]he question with respect to prices, therefore, is whether these financial benefits to the firm reflect increased demand resulting from offering a better service, or simply a better ability to extract more of the rents than TWC."[56]

In sum, Consumer Advocates submit that the transaction particularly without additional conditions will result in diminished program offerings and higher prices for consumers. The FCC's review should address this harm to consumers either by denying approval, or by placing additional conditions on the merger.

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the American Cable Association, November 8, 2010 ("Rogerson III"), at 2. (Rogerson submitted two earlier reports in this proceeding, *Rogerson I* and *Rogerson II).* The Rogerson III report observes that its use of a 5% discount rate results in an a conservative calculation of the net present value (today's interest rates are much lower than 5%; if one used a lower discount rate, the net present value of the total consumer harm would be higher than $2.6 billion). *See* Ex Parte Comments filed by the New Jersey Division of Rate Counsel, *In the Matter of Applications of Comcast Corporation, General Electric Company and NBC Universal, Inc. for Consent to Assign Licenses or Transfer Control of Licenses;* MB Docket No. 10-56, dated December 2010.

[54]/ The National Cable and Telecommunications Association website shows that as of September 2010 there were 60.4 million basic cable and 44.4 million digital cable subscribers nationwide. http://www.ncta.com/Statistics.aspx. There were 2.6 million basic cable subscribers in New Jersey in 2009. New Jersey Board of Public Utilities, Office of Cable Television, *Cable Facts 2009*, at 21. Therefore, New Jersey basic cable customers represent 4.3% of all basic cable subscribers nationwide or 2.48% of all cable (basic and digital) subscribers.

[55]/ at p. 5, Wallsten Study at p. 5.

[56]/ *Id.*

III. RECOMMENDED ADDITIONAL CONDITIONS

Consumer Advocates submit that despite the voluntary commitments identified in the Application,[57] if the FCC concludes that the transaction does in fact serve the public interest, additional conditions should be required.

Although Applicants have committed to extend the open Internet commitments previously agreed to in the Comcast/NBC-Universal transaction and apply them to TWC, these standing alone are inadequate. The commitments include no-blocking and non-discrimination rules adopted by the FCC but rejected by the United State Court of Appeals for the District of Columbia. Voluntary adoption of the commitment is a benefit..

Applicants also are agreeing to offer a stand-alone broadband commitment, broadband adoption commitment, broadcast commitment, programming commitments, non-commercial educational station carriage commitments, diversity commitments, and continuation of community focused ethos and programs.[58] However, Consumer Advocates note that Comcast has a poor track record when it comes to fulfilling the commitments it negotiated to gain approval of its takeover of NBC.[59]

[57] / Application at pages 107-120.

[58]/ Id.

[59] See, for example, Greenlining California Protest at page 17: Comcast's implementation of Internet Essentials has been a failure, and the current program does almost nothing to benefit the public interest. The "high-speed connections" Comcast gives participants are slow: 3Mbps downstream and 768 Kbps upstream. A household must have at least one household member eligible for the National School Lunch Program to participate in Internet Essentials. Comcast estimates that there are about 2.6 million eligible households that meet that requirement in Comcast's service territory. Yet of those 2.6 million households, only about 150,000 are *actually* served-by Internet Essentials - a penetration rate of about one half of one percent. Comcast's *de minimis* compliance with its commitment to Internet Essentials has resulted in a program which neither serves enough people to make a real impact on reducing the digital divide, nor provides sufficient speed and data to allow low-income customers to benefit from high-speed Internet.

Consumer Advocates ask that the FCC impose the following additional conditions to enhance pro-consumer and pro-competitive benefits. These include:

- The FCC should impose a requirement that permits video customers to choose the channels they want to purchase for viewing on an a la carte basis.

- The FCC should require that basic program tier rates and equipment and installation rates be frozen for three years so that video customers receive a share of the cost savings resulting from this merger.

- The FCC should also require Comcast and Time Warner to open their networks to voice competitors under Sections 251 and 252 when they serve a majority of residential and small business customers in an area.[60]

- The FCC should require Comcast to continue to provide federal and state Lifeline service in those states where Time Warner has applied for Eligible Telecommunications Carrier (ETC) status. The reduced rate programs for low income customers should be modified to encompass all eligible low-income customers, including those currently in other rate plans.

- The FCC should require Comcast to offer a more robust, affordable broadband service. This would augment the current Time Warner "Everyday Low Price" offering.

- The FCC should adopt a condition that customers in the current Time Warner areas and the customers in the Comcast areas have the ability to choose from either company's best options available over comparable infrastructure.

- The FCC should also affirm Comcast's status as a common carrier, subject to oversight as a telecommunications carrier, in territory formerly served by Time Warner.

- The FCC should adopt a condition that the merged company not compel RLECs to provide interconnection and LNP when the RLECs claim the rural exemption[62] for six years, to carry the RLECs through the USF/ICC transition.

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[60] "Area" as used here refers to the Metropolitan Statistical Area or cable franchise area, whichever is smaller.

[62] 47 U.S.C. § 251(f).

These additional conditions will benefit consumers in several ways. Cable prices have continued to escalate and the freeze on rates and installation costs will save consumers from further increases for three years. Imposition of an al a carte option will benefit consumers because they will only pay for channels they want. The ability of customers to choose the best from either company's services is also a benefit.

Requiring Comcast to honor Time Warner's commitments to serve as a common carrier and as an ETC will preserve important competitive options for telecommunications customers currently served by Time Warner. A more affordable, robust broadband service for all customers will also provide benefits. On the other hand, protecting RLECs from competition from the mammoth combined Comcast/Time Warner will ultimately benefit the RLECs' customers. Lastly, compliance with Sections 251 and 252 will promote more competition which is a restraint on price increases.

IV. CONCLUSION

Comcast and Time Warner's application raises significant concerns about the potential adverse impact of the proposed transaction on diversity, local programming and rates. Consumer Advocates submit that the Applicants' filing must be thoroughly reviewed by the Commission to address whether the proposed transaction would serve the public interest, convenience and necessity. In this regard, the Commission and parties to this proceeding must have access to all books of account, documents, data and records pertaining to the transaction in order to assess whether the transaction is likely to generate verifiable, merger-specific public interest benefits.

Rate Counsel and NASUCA appreciate the opportunity to provide their comments on this matter.

Respectfully submitted,

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Appendix: Overview of Applicants

Comcast and TWC ("Applicants") assert that by combining the technological know-how, and the geographic reach of each company, commitment to invest significantly in TWC systems and its substantial expertise in upgrading cable systems, the combined companies will be well-positioned to compete in national and global markets. They assert that this will allow them to improve the customer experience today and to forge ahead to meet future challenges and needs.

Applicants assert that for consumers there will be expanded access to, and more rapid deployment of, industry leading technology, services, and programs including:

- High-speed broadband services available on bundled and stand-alone basis;
- A fully upgraded network that provides highly reliable and secure service;
- A nationally acclaimed and comprehensive low-income broadband adoption program;
- The most robust and advanced Video on Demand ("VOD") and TV Everywhere experience;
- The best-in-class video technology and user interface;
- The most successful alternative to traditional voice services; and
- A commitment to diversity and inclusion, and to providing accessible solutions to people with disabilities.

Applicants also claim that the combined companies will benefit business customers by creating a stronger competitor that can offer businesses of all sizes better options, lower prices, higher quality, and enhanced services. The combined company will also result in new options for advertisers since the combined companies will operate a near-national basis and will invest in dynamic ad insertion and addressable technologies for VOD and other cable and online programming. According to the Applicants, the transaction will extend a variety of other public interest benefits to TWC markets, including conditions and commitments resulting from the Comcast-NBC-Universal transaction. These include application of the Open Internet rules and Comcast's commitment to offer stand-alone broadband, broadband adoption, diversity, accessibility, and cybersecurity.

Comcast[63]

Comcast is a global media and technology company with two primary businesses- Comcast Cable and NBCUniversal- with approximately 136,000 employees. Comcast Cable is the leading provider of video, high-speed Internet, digital voice, and other next generation services and technologies to millions of residential customers and small and medium-sized businesses. Comcast Cable serves approximately 21.7 million video customers. Since 1996, Comcast states it has invested tens of billions of dollars to upgrade network infrastructure by installing fiber optics and other technological enhancements. Comcast has an all-digital platform across its system. Comcast provides a variety of video services with access to tens of thousands of entertainment choices under the Xfinity brand. Through Xfinity.com/TV and the Xfinity TV Go App, Comcast customers can stream over the Internet to their PCs and mobile devices over 50 linear cable networks and thousands of hours of the latest TV shows and popular movies.

[63]/ For information contained in this section titled "Comcast" see, *In the Matter of Applications of Comcast Corp. and Time Warner Cable Inc., for Consent to Assign or Transfer Control of Licenses and Authorizations*, MB Docket No.14-57 ("Joint Application"), at pp. 7-13.

Comcast serves 20.7 million broadband customers and has deployed the latest software, DOCSIS 3.0, to 99.8% of its footprint. Comcast has increased broadband speeds 12 times in 12 years, and the majority of Comcast customers now subscribe to speed tiers with download speeds of 25 Mbps and upload of 5Mbps.

In Voice services/Business services, Comcast serves 10.7 million voice customers using Voice over Internet Protocol ("VoIP") technology. Comcast has upgraded its voice services to offer Xfinity Voice customers unlimited Universal Caller ID.

Comcast is a new entrant in the business services market with a focus on serving small and medium sized businesses. Comcast offers business customers broadband, voice, video offerings; a website hosting service; an interactive tool that allows customers to share, coordinate, and store documents online; hosted voice services using cloud network servers; and a business directory listing. Comcast also provides advanced voice services and Ethernet network services to businesses that connect multiple locations. Comcast is active in the wholesale business, particularly with respect to cellular backhaul services that help wireless carriers manage their network bandwidth more efficiently by leasing fiber facilities to transport wireless traffic from cell towers.

In Advertising/Cable Programming, the Comcast Division is the advertising sales arm and provides a variety of advertising solutions for local, regional, and national advertisers. Comcast Spotlight offers television, online, VOD, multi-screen, and addressable advertising services in 80 markets. Comcast together with TWC and Cox Media, is also an owner of NCC Media, which represents national spot advertising for cable, satellite and telco programming distributors across the country.

Comcast directly owns interests in the following cable program networks and services: MLB Network (8.3%), NHL Network (15.6%), Midco Sports Network (50%), iN Demand (54%), and Streampix (100%), as well as the following local origination channels: Pittsburgh Cable News Network (30%), and 100 % of the following C2, Comcast Entertainment Television, Comcast Hometown Network, Comcast Television Network, CN100, HoosierTV, Utah Channel 6 and WNFM-TV.

With respect to programming, NBCUniversal, which is owned and controlled by Comcast, is one of the worlds' leading media, news, and entertainment companies. NBCUniversal operates the NBC and Telemundo broadcast television networks. Ten local NBC stations are owned and operated by NBCUniversal. Telemundo's operations include 17 owned and operated local stations. NBCUniversal's national cable networks include the following (100% unless noted otherwise): Bravo, Chiller (80%), Cloo (formerly Sleuth), CNBC, CNBC World, E!, Esquire Network (formerly Style), G4, Golf Channel, MSNBC, mun2, NBC Sports Network (formerly V), Oxygen, Sprout, SyFy, Universal HD, and USA Network.

In addition, NBCUniversal owns non-controlling interest in RLTV (7.7%), Universal Sports (11%), ShopNBC (14.5%), FEARnet (31%), The Weather Channel Companies (25%), and TV One (47.2%). NBCUniversal also owns New England Cable News (100%), a regional news network, and has minority interest in Television Korea 24 (1 and 2) (14%) and Saigon Broadcasting Television Network (50%). Several regional sports networks are also part of NBCUniversal's cable programming portfolio. NBCUniversal owns interest in Comcast SportsNet Houston (22.5%), Comcast SportsNet Chicago (30%), Comcast SportsNet Bay Area (67%), Comcast SportsNet Philadelphia

(75%), Comcast SportsNet New England (80%), Cable Sports Southeast (81%), Comcast Sports Southwest (100%), Comcast SportsNet California (100%), Comcast SportsNet Mid-Atlantic 100%), Comcast SportsNet Northwest (100%), and the Comcast Network (100%). NBCUniversal has a minority interest in SportsNet New York (8.2%). It has other businesses as well, including film and television production studies, theme parks and online services.

Time Warner Cable[64]

TWC provides video, high-speed Internet, and voice services in portions of 31 states. TWC is the fourth-largest multichannel video programming distributor ("MVPD") with cable systems serving approximately 11.4 million customers TWC has developed and deployed switched digital video technology, and its cable systems provide access to hundreds of linear channels and 18,000 hours of VOD programming. TWC's all-digital migration is complete in 17 percent of its footprint and it plans to be all-digital in 75% of its footprint by the end of 2016. TWC offers live streaming and access to on-demand services to its customers on a range of devices in the home. TWC serves approximately 11.6 million high-speed Internet customers. TWC offers a range of speeds at different price points- from up to 2 Mbps downstream and up to 1 Mbps upstream to up 50 Mbps downstream and up to 5 Mbps upstream- in most markets. In New York and Los Angeles, TWC began offering speed tiers of up to 75-100 Mbps downstream and up to 5 Mbps upstream.

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[64]/ For information contained in this section titled "Time Warner Cable" see, *In the Matter of Applications of Comcast Corp. and Time Warner Cable Inc., for Consent to Assign or Transfer Control of Licenses and Authorizations*, MB Docket No.14-57 ("Joint Application"), at pp. 13 -16. See Also, CPUC Decision D. 14-03-038,at 4, op. cit.

TWC serves approximately 5.3 million voice customers. TWC's broadband infrastructure enables it to deploy interconnected VoIP services throughout its footprint. For Business Services, TWC offers a wide variety of products and services to business customers, including high-capacity transmission services (such as Metro Ethernet), video, high-speed Internet, and voice services, as well as hosting and cloud computing services (through its NaviSite subsidiary), in competition with incumbent local exchange carriers and other service providers. TWC retail customers consists primarily small and medium-sized businesses, and TWC has made some strides in serving enterprise businesses with multiple locations, as well as government, education, and non-profit institutions. TWC offers wholesale transport services to wireless providers for cell tower backhaul and to other service providers.

TWC sells video and online advertising to local, regional and national customers. TWC owns and manages a number of local news channels (including Time Warner Cable New NY1), local sports channels, and local lifestyles channels. In October 2012, TWC launched two regional sports networks ("RSN"), one in English and one in Spanish, that carry Los Angeles Lakers basketball games, as well as other regional sports programming. TWC has a minority interest in SportsNet New York (26.8%), and provides affiliate sales, ad sales, and certain other production and technical services to (but has no ownership interest in) SportsNet LA, an RSN that carries the Los Angeles Dodgers' baseball games and other sports programming and that is owned and was recently launched by America Media Productions, LLC. TWC has an interest in a national network, MLB Network (6.35%), and in the iN Demand programming service (29.3%).